

CANADIAN
CAR & FOUNDRY
COMPANY
LIMITED

FOURTEENTH
ANNUAL
REPORT
1923

MONTREAL - CANADA

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CANADIAN CAR & FOUNDRY COMPANY, LIMITED

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BOARD OF DIRECTORS

W. F. ANGUS, MONTREAL	V. M. DRURY, MONTREAL
HON. C. P. BEAUBIEN, SENATOR, MONTREAL	ANDREW FLETCHER, NEW YORK
H. W. BEAUCLERK, MONTREAL	O. F. HARVEY, NEW YORK
W. W. BUTLER, MONTREAL	A. HICKS LAWRENCE, NEW YORK
HON. N. CURRY, SENATOR, MONTREAL	WM. MCMASTER, MONTREAL
F. H. CLERGUE, MONTREAL	HON. E. C. SMITH, ST. ALBANS, VT.
LEWIS L. CLARKE, NEW YORK	W. H. WOODIN, NEW YORK
	MARK WORKMAN, MONTREAL

♦ ♦

OFFICERS

HON. N. CURRY, *Chairman of the Board*

W. W. BUTLER, *President*

W. F. ANGUS, *Vice-President*

W. S. ATWOOD, *Vice-President*

A. D. NEALE, *Vice-President*

A. WHYTE, *Vice-President and*

A. C. BOURNE, *Secretary*

Treasurer

L. A. PETO, *Comptroller*

♦ ♦

SOLICITORS

DAVIDSON, WAINWRIGHT, ELDER & McDUGALL, MONTREAL

♦ ♦

BANKERS

BANK OF MONTREAL

THE ROYAL BANK OF CANADA

THE AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

♦ ♦

GENERAL OFFICES

307 CRAIG STREET WEST, MONTREAL

CANADIAN STEEL FOUNDRIES LIMITED

♦ ♦

BOARD OF DIRECTORS

HON. C. P. BEAUBIEN
W. F. ANGUS

W. W. BUTLER

H. W. BEAUCLERK
V. M. DRURY

OFFICERS

W. W. BUTLER, *President*

W. F. ANGUS, *Vice-President*

W. S. ATWOOD, *Vice-President*

A. D. NEALE, *Vice-President*

A. WHYTE, *Vice-President and Treasurer*

A. C. BOURNE, *Secretary*

L. A. PETO, *Comptroller*

♦ ♦

THE PRATT & LETCHWORTH COMPANY, LIMITED

BOARD OF DIRECTORS

HON. C. P. BEAUBIEN
W. F. ANGUS

W. W. BUTLER

H. W. BEAUCLERK
V. M. DRURY

♦ ♦

OFFICERS

W. W. BUTLER, *President*

W. F. ANGUS, *Vice-President*

W. S. ATWOOD, *Vice-President*

A. D. NEALE, *Vice-President*

A. WHYTE, *Vice-President and Treasurer*

A. C. BOURNE, *Secretary*

L. A. PETO, *Comptroller*

♦ ♦

AGENCY OF CANADIAN CAR & FOUNDRY COMPANY, LIMITED

DIRECTORS

HON. N. CURRY
LEWIS L. CLARKE

W. H. WOODIN

W. W. BUTLER
O. F. HARVEY

OFFICERS

HON. N. CURRY, *President*

W. W. BUTLER, *Vice-President*

A. C. BOURNE, *Secretary and Treasurer*

Canadian Car & Foundry Company, Limited
and Canadian Steel Foundries, Limited
and other Associated Companies

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CONSOLIDATED STATEMENT OF SURPLUS AND
PROFITS, SEPTEMBER 30, 1923

□ □

Combined Profits for the Fiscal Year ending September 30, 1923 \$2,430,188.11

DEDUCT:

Provision for Depreciation..... 435,800.00

Profit before charging Interest..... \$ 1,994,388.11

DEDUCT:

Interest on Bonds Outstanding..... \$411,559.05

Interest on Negotiable Scrip..... 84,784.95

\$496,344.00

Less: Interest Earned (Net)..... 129,529.49 366,814.51

Profit for Fiscal Year..... \$1,627,573.60

DEDUCT:

Provision for Income Tax and General Purposes..... 200,000.00

Net Addition to Surplus..... \$1,427,573.60

SURPLUS at September 30, 1922..... 2,664,574.91

\$4,092,148.51

DEDUCT:

Dividends declared—7% on Preference Stock..... 525,000.00

SURPLUS carried forward September 30, 1923..... \$3,567,148.51

CANADIAN CAR & FOUNDRY AND CANADIAN STEEL FOUNDRIES, LIMITED CONSOLIDATED BALANCE SHEET

ASSETS

COST OF PROPERTIES:

Real Estate, Buildings, Machinery, Patents and Goodwill, as at September 30, 1922.....	\$23,136,072.27	
Addition during Fiscal Year—Net.....	1,155.28	
		\$23,137,227.55

SCRIP REDEMPTION FUND:

Invested in Dominion of Canada Bonds.....	348,884.75
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CURRENT ASSETS:

Inventories of manufactured and partly manufactured product, materials and supplies at cost or less, and not in excess of present market prices.....	\$6,249,392.28	
Accounts Receivable (Less Reserve).....	1,639,114.80	
Bonds and other Securities:		
Dominion of Canada Bonds.....	\$506,839.47	
Companies' Own Bonds.....	410,182.10	
Miscellaneous Investments.....	380,872.27	
		1,297,893.84
Cash in Bank.....	321,296.47	
		9,507,697.39
DEFERRED CHARGES.....		87,722.04

\$33,081,531.73

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Books and Accounts of the Canadian Car & Foundry Company, Limited, and its Subsidiary Companies, for the year ending September 30, 1923, and have obtained all the information and explanations which we required. And we certify that, in our opinion, the above Balance Sheet at September 30, 1923, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Canadian Car & Foundry Company, Limited, and its Subsidiary Companies, according to the best of our information and the explanations given to us, and as shown by the Books of the Companies.

MONTREAL, December 13, 1923

PRICE, WATERHOUSE & COMPANY,
Auditors.

COMPANY, LIMITED

AND OTHER ASSOCIATED COMPANIES

SEPTEMBER 30, 1923

LIABILITIES

CAPITAL STOCK:

Preference: Seven per cent cumulative and participating:		
Authorized and Issued—75,000 Shares of \$100 each.....		\$7,500,000.00
Ordinary:		
Authorized—50,000 Shares of \$100 each.....	\$5,000,000.00	
Issued — 49,750 Shares of \$100 each.....		4,975,000.00

BONDED DEBT:

Canadian Car & Foundry Company, Limited:	
First Mortgage Thirty-Year Six Per Cent Sinking Fund Gold Bonds, due 1939 (Authorized \$7,500,000)....	\$6,275,000.00
LESS: Redeemed by Sinking Fund. 1,903,358.01	
	\$4,371,641.99

Canadian Steel Foundries, Limited:

First Mortgage Collateral Trust Bonds Six Per Cent, due 1936 (Authorized \$5,000,000).....	\$3,650,000.00	
LESS: Bonds held in escrow by Montreal Trust Company towards redemption of Montreal Steel Works, Limited, Bonds.....	637,436.04	
	\$3,012,563.96	
LESS: Retired by Sinking Fund. 1,277,013.32		1,735,550.64
First Mortgage Six Per Cent Gold Bonds, due 1940, of the Montreal Steel Works, Limited	537,000.00	
		6,644,192.63
SEVEN YEAR SIX PER CENT NEGOTIABLE SCRIP, DUE DECEMBER 24, 1927 (Less amount held in Treasury).....		1,384,822.25

CURRENT LIABILITIES:

Accounts Payable and Payrolls.....	\$2,019,464.46	
Interest Accrued.....	128,971.97	
Dividend Payable October 10, 1923, 3½% on Pref. Shares.....	262,500.00	
Dividend Payable January 10, 1924, 3½% on Pref. Shares.....	262,500.00	
		2,673,436.43

RESERVES:

Depreciation Reserves.....	\$5,265,454.67	
Special Reserve Fund.....	500,000.00	
Operating and Miscellaneous Reserves.....	571,477.24	
		6,336,931.91

SURPLUS, as per attached statement.....		3,567,148.51
		<u>\$33,081,531.73</u>

Note—Arrears of Preference Share Dividends 8¾%.

L. A. PETO,
Comptroller.

Approved on behalf of the Board:

V. M. DRURY, Director.
F. H. CLERGUE, Director.

FOURTEENTH ANNUAL REPORT

YEAR ENDED SEPTEMBER 30

1923

□ □

To the Shareholders:

Your Directors have pleasure in presenting the Fourteenth Annual Report of your Company and of its subsidiary Companies, the Canadian Steel Foundries, Limited, and The Pratt & Letchworth Company, Limited, covering the combined operations for the fiscal year ended September 30th, 1923.

The total output of all Plants for the year amounted to \$20,-689,638.95, being considerably in excess of the preceding year, and after charging against operations the cost of Plant maintenance and depreciation, interest on outstanding bonds and negotiable scrip, and after providing for all contingencies, including Government Income Tax, the net profit amounted to \$1,427,573.60, as compared with a loss for the preceding year of \$586,632.42.

Your Directors consider this result satisfactory, more especially in view of the fact that the trade depression referred to in their last Annual Report continued well into the fiscal period under review.

The Balance Sheet discloses an improved liquid condition, the Surplus of Current Assets in excess of Liabilities amounting to \$6,834,260.96, after providing for Dividends declared payable October 10th, 1923, and January 10th, 1924, and after making allowance for accrued interest on outstanding bonds and scrip.

Bond Sinking Funds to the amount of \$377,502.60 have been provided for during the year and a Redemption Fund has been set up to take care of the outstanding negotiable scrip which matures December 24th, 1927. It is also gratifying to note that there are no bank loans outstanding, the Company having been able to finance its entire year's program without banking accommodation, while on the other hand, interest and discount earned amounted to \$129,-529.49.

Dividends in arrears at September 30th, 1923, amounted to $8\frac{3}{4}\%$, and your Directors hope that business conditions will continue favorable so that such arrears may be paid off in the near future, but in this connection due regard must be had for the maintenance of sufficient working capital to meet all ordinary needs of the Company's business.

The value of unfilled business carried forward to the ensuing year amounted to approximately \$7,500,000.00, which is reflected in the Balance Sheet as at September 30th, 1923, where large inventories of materials and supplies, together with correspondingly

heavy trade accounts payable, appear. The completion of this unfilled business will, however, reduce the inventories of materials and supplies to approximately \$1,500,000.00.

The physical condition of all Plants has been well maintained during the year. The Head Office of the Company has been moved to the Company's own building, acquired in 1917, which has been remodelled and now adequately provides for the Company's requirements, and the mortgage loan of \$100,000.00 previously placed on this building has been paid in full. This change will result in a very considerable saving to the Company in respect to office rentals and taxes.

Your Directors take this opportunity of expressing appreciation of the efficient services rendered by the Officers and Employees throughout the year.

For the Directors,

W. W. BUTLER,

President.

December the Thirteenth,

Nineteen hundred and Twenty-three.

